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FIRST COUNTRY COOPERATION FRAMEWORK FOR KENYA (1999-2003)

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INTRODUCTION

1. This first country cooperation framework (CCF) for Kenya covers the period 1999-2003. It spans the last three years of the Eighth National Development Plan (1997-2001) and the first two years of the next. It draws extensively on the UNDP advisory note, which was formulated through consultations with the Government of Kenya, the private sector, non-governmental organizations (NGOs), community-based organizations, and bilateral and multilateral donor partners. The CCF is anchored in the National Poverty Eradication Plan (1999-2015) and takes into account the development priorities identified under the United Nations Development Assistance Framework (UNDAF) for Kenya, including poverty eradication, access to and quality of social services, and an enabling environment for sustainable human development.

I. DEVELOPMENT SITUATION FROM A SUSTAINABLE HUMAN DEVELOPMENT PERSPECTIVE

2. According to the Eighth National Development Plan, Kenya has a population of approximately 29 million and a land area of 582,646 square kilometres. Immediate development problems include persistent and increasing poverty. Out of a total of 5 million Kenyan households, 1.8 million are classified as absolutely poor. Results of the 1994 Welfare Monitoring Survey showed that over 40 per cent of the population lived below the poverty line, with an income of less than 978 Kenya shillings and 1,490 Kenya shillings per month per adult in rural and urban areas, respectively. In the rural areas 47 per cent of the population is poor, while 29 per cent lives below the poverty line in urban areas. The Human Development Report 1998 ranks Kenya as 137 out of 174 countries; Kenya has a human development index value of 0.463 (1995), and a human poverty index value of 27.1 (1995). Per capita income in 1997 was estimated at $284 and is projected to increase by 3 per cent per annum during the period of the Eighth National Development Plan (1997-2001).

3. The majority of poor households are distributed throughout a belt of land with the highest population density. By combining social indicators and poverty ranking, the Government of Kenya has mapped the most affected districts for priority attention. These districts run from the shores of Lake Victoria in the west to the central region, to Machakos in the east, and Kilifi on the coast. Strategies geared towards the eradication of poverty in this belt will have to be comprehensive and targeted mainly at the rural areas, where 90 per cent of the poor live. The urban centres with significant numbers of poor people are Nairobi, Mombasa, Kisumu and Nakuru.

4. Addressing the needs of the urban poor will require innovative strategies. The increasing pace of urbanization makes it difficult to balance rural-urban population movements and arrest the growing urban poverty. The challenge is therefore to stimulate growth and development in the rural areas in order to reduce the pressure on the urban centres. Potential for rural development will be enhanced and exploited by increasing the production base in the communities, and mobilizing existing knowledge, skills and appropriate technologies to intensify the utilization of domestic resources and encourage new investment.

At the same time, urban systematization in the slums, enhancement of access to basic social services and improvement of economic opportunities for the urban poor will also be necessary.

5. The country's economy is based mainly on its natural resources, and many past development efforts have been at their expense. There is a need to reconcile the sustainable use of these resources with the imperative of rapid economic growth. Recognizing this, the Eighth National Development Plan, entitled "Rapid Industrialization for Sustainable Development", focuses on seven strategic challenges: (a) the creation of adequate employment opportunities; (b) poverty reduction; (c) the promotion of sustainable development through preservation of the environment and culture; (d) increasing domestic investments and savings to levels sufficient to support the desired rate of growth; (e) restoration and improvement of infrastructure based on the critical needs of the people; (f) improving the management of public finance; and (g) deepening the economic base through an increased rate of industrialization.

6. Kenya's economic growth rate has barely kept pace with its population growth in recent years. The high incidence of poverty is a major drag on Kenya's economic performance. The distribution of income has worsened over the years, with the richest 20 per cent of the population retaining 61 per cent of the rural and 51 per cent of the urban wealth, and the wealthiest 10 per cent garnering almost half of the income generated. Rising inequality provides an unfavourable backdrop to poverty eradication efforts as those who are better off appropriate a major share of the fruits of economic growth. Thus, rising inequality leads to a high incidence of poverty, which, in turn, results in poor economic growth.

7. The Government has introduced some tough measures to rein in the budget deficits and control the civil service wage bill. However, these have given rise to labour unrest, job losses and had adverse effects on the delivery of essential services. They affect the poor and the vulnerable adversely since meaningful social safety nets are lacking. Significant progress in the implementation of economic and governance reforms is stipulated as a quid pro quo for the resumption of substantial aid flows.

8. Good governance remains a prerequisite for sustainable human development, which encompasses political, economic, and social development. Good governance calls for respect for human rights, participatory development, gender mainstreaming, free and fair elections, transparency and accountability, and efficient allocation and sound management of resources. Grass-roots participation in the process of national development remains a fundamental building block for efficient public management and poverty eradication through the involvement of civil society. It is also a cornerstone for good governance.

9. Civil society organizations (CSOs) play a vital role in promoting, among other things, popular participation, engendering transparency and accountability on the part of the public services and social responsibility among private sector enterprises, and sustaining the democratization process. Laws and regulations governing the formation and operation of these organizations need to be reviewed and modified to give voice to the poor, including poor women, and to facilitate their participation in the mainstream of Kenyan society.

10. Kenyan women bear a disproportionately large share of the burden of poverty. Existing gender inequalities call for the promotion of affirmative actions to ensure women's advancement in all spheres of development. Kenya has ratified the United Nations Convention on the Elimination of All Forms of Discrimination against Women. However, women continue to face inequities in the economic, political and social arenas. Gender inequality is manifested in the limited access of women to land, jobs, education, financial resources, and participation in decision-making. Gender inequality is the surest way to perpetuate poverty, since the productive and reproductive roles of women have a profound impact on the transmission of poverty to present and future generations. Accordingly, gender mainstreaming and addressing the poverty of women, particularly in rural areas, will be given special attention.

11. Although the incidence of HIV/AIDS is largely uniform across the different income classes, its impact on poor women, children and men is particularly devastating. Based on surveillance data, it is estimated by the National AIDS/STD Control Programme that between 1990 and 1997 national adult HIV prevalence rose from 3.1 to 9.0 per cent. It is expected to increase to 12.0 per cent by the year 2000.

12. Following the recommendations of the World Summit for Social Development in 1995, the Government has prepared a National Poverty Eradication Plan (1999-2015). The Plan emphasizes improved delivery of basic social and economic services to poor women, men and children, with their full participation in decision-making. It sets time-bound goals and targets in three phases - 1999 to 2004, 2005 to 2010, and 2011 to 2015 - covering successively larger proportions of the poor.

13. The Eighth National Development Plan (1997-2001) and the National Poverty Eradication Plan (1999-2015) incorporate the recommendations of many international compacts relevant to poverty eradication. In particular, the Government has also adopted a National Environmental Action Plan as a follow-up action to the 1992 United Nations Conference on Environment and Development. The Beijing Platform for Action adopted by the 1995 Fourth World Conference on Women is being drawn upon to formulate a national platform for action.

II. RESULTS AND LESSONS OF PAST COOPERATION

14. In formulating the CCF, the Government has benefited from the evaluation report on the sixth country programme, the mid-term review, reviews of several individual programmes, and consultations with stakeholders on specific aspects of the Programme.

15. The programme approach, which was adopted for about 75 per cent of the sixth country programme, strengthened linkages between programmes and facilitated donor coordination. This allowed the shifting of resources within and between programmes, thereby increasing their effectiveness in improving delivery and the achievement of objectives.

16. The introduction of semi-annual strategic planning reviews of each of the programmes provided the means to keep the focus more clearly on the objectives

of each of the planned activities. This, in turn, led to a sharper focus on the beneficiaries and effective use of allocated resources.

17. National execution is more than execution by the Government as it encompasses the involvement of private sector institutions, universities, CSOs, community-based organizations (CBOs), and NGOs. Most of the activities were, however, undertaken by public institutions and not by those in the private or voluntary sectors. It is expected that the participation of institutions in the private and voluntary sectors will increase over the CCF period.

18. The lessons learned regarding ownership include the following: (a) projects developed with the involvement of stakeholders elicit their ownership and commitment from the outset; (b) ownership is sustained only if the partners in development are involved from the design stage, throughout the entire project cycle, including monitoring and evaluation; and (c) the participatory development process must be broadened to include a wider range of non-public sector institutions.

19. There were some serious constraints encountered in the use of the national execution modality in the implementation of programmes. Inadequate managerial capacity in implementing institutions manifested itself in the procurement of goods and services, financial reporting, audit of programme activities and funds, all of which were unsatisfactory. This was exacerbated by a lack of clarity in the roles and responsibilities of executing and implementing institutions. These issues will be addressed as part of further capacity development for national institutions selected to execute and implement the interventions under the CCF.

20. With regard to United Nations system collaboration, UNDP played an important role in promoting collaborative programming among United Nations agencies, while complementing the macro-level work of Bretton Woods institutions. Through the resident coordinator system, UNDP provided continuous support in the preparation of the country common assessment (CCA), which was successfully completed. The UNDAF is complete and the United Nations Children's Fund (UNICEF), the World Food Programme and UNDP have synchronized and have used the UNDAF as the basis for their programmes.

21. Strong linkages were realized in working with the International Labour Organization, the United Nations Department of Economic and Social Affairs, the Food and Agriculture Organization of the United Nations (FAO), the United Nations Industrial Development Organization and the United Nations Centre for Human Settlements through the use of the support to programme and policy development (SPPD) facility. The expanded use of both international and national United Nations Volunteers proved to be cost-effective and elicited quality inputs. At the grass-roots level, assistance provided through Africa 2000 and the Global Environment Facility (GEF) Small Grants Programme was instrumental in giving an even greater emphasis to community-based implementation. Results in this area proved most encouraging.

III. PROPOSED STRATEGY AND THEMATIC AREAS

22. During the period of the CCF, within a sustainable development framework, the poverty eradication needs of Kenya will be addressed through four main areas of concentration: (a) good governance for sustainable development; (b) employment and sustainable livelihoods; (c) gender mainstreaming and the empowerment of women; and (d) environment and natural resource management. Interventions under these areas will be crosscutting and mutually supportive, thus enhancing the impact of efforts to eliminate poverty, mainstream gender and preserve the environment.

A. Good governance for sustainable development

23. UNDP will build capacities of grass-roots organizations in general and specifically those that assist poor women and men in exercising their rights to evaluate the quality of political governance with regard to democratization and equity. Close attention will be given to training the leaders of the beneficiary organizations.

24. At the national level, UNDP will support the review of existing policies and laws that affect poverty eradication initiatives, including laws relating to freedom of association and meetings, credit and the supervision of micro-credit providers, community and common property rights, and property inheritance rights within the family. Ongoing support for legal, constitutional and judiciary reforms will be completed while the efforts to launch the proposed charter for social integration and local governance will be supported. Responsive information, education, and communication strategies for governance will be developed and used to facilitate informed decision-making and increased citizen participation.

25. Implementation of the first six-year phase (1999-2004) of the National Poverty Eradication Plan is expected to commence in January 1999. The Plan will be implemented in selected areas with high concentrations of poor people during this period to cover at least 20 per cent of Kenya's poor. UNDP will help to establish and test the channels for implementation of the Plan. The main thrust will be to demonstrate viable channels and means to assist the poor women, men and children to obtain basic social and economic services, improve their skills and livelihood opportunities, and graduate from poverty.

26. Natural and man-made disasters (including conflicts and ethnic clashes) occur frequently in Kenya. UNDP will continue to promote and provide support for multi-agency coordination, primarily within the UNDAF, and with other donors. The capacities of the government departments responsible for disaster management, NGOs, community-based and private institutions working in this area will be enhanced through improved coordination.

27. UNDP will continue to be a major partner in supporting HIV/AIDS strategies on prevention, advocacy and monitoring as a member of the Joint United Nations Programme on HIV/AIDS team. Further support will be needed, however, to expand prevention and mitigation interventions. As a complementary activity at the grass-roots level, CBOs and religious organizations will be supported to

facilitate the expansion of community-based voluntary counselling and testing sites and for providing assistance to those infected and affected individuals, families, and communities. AIDS orphans, widows and widowers will be targeted through the development of small-scale enterprises and training in income-generating skills. Legal instruments will be put in place to secure the property rights of HIV/AIDS orphans and widows.

28. Benchmark indicators include: (a) the number of trained community leaders running grass-roots organizations effectively; (b) appropriate policies and legislation enacted for effective operation of key institutions, including civil society organizations; (c) viable mechanisms established for implementation of the National Poverty Eradication Plan; (d) an ethical and legal framework formulated for those living with HIV/AIDS and their families; and (e) coordination mechanisms established for conflict and disaster management.

B. Employment and sustainable livelihoods

29. The Ministry of Planning and National Development will be strengthened to enable it to carry out labour force surveys, establish a labour market information system, and improve targeting of the poor in the design of employment policies and strategies. Gender-disaggregated employment and labour market data will be compiled, analysed, and incorporated into the national accounting system, thus improving the estimation of the contribution of women's labour to the gross domestic product.

30. Selected groups, particularly unemployed skilled tertiary graduates and retrenched civil servants, will be trained to enhance entrepreneur skills in order to set up enterprises and generate jobs. Assistance will also be provided to orient growth enterprises with respect to market opportunities, technologies, trade laws, product quality and regulatory regimes, the World Trade Organization, the Uruguay Round and other global agreements and their implications for foreign trade, employment and product standards.

31. Since the bulk of the poor, including poor women, are located in rural areas, interventions to help them will focus on the means to improve their productivity and expand the operation of agriculture and non-farm-based enterprises in the countryside. Of special importance is support to micro-financing, with particular attention to credit for poor women and women's groups. UNDP will support initiatives to put into place the best practices on micro-financing interventions and to capitalize on the experiences from such initiatives as Micro-Start, the Trickle-Up Programme and other community-based micro-financing schemes. They will also be used to encourage the cross-fertilization of experiences from different countries through active technical cooperation among developing countries.

32. Achieving food security at the household, community and national levels is an important ingredient of poverty eradication and sustainable development. It would also improve the well-being of women and children, who are often the first victims of food scarcity. In collaboration with FAO and other development partners, UNDP will support initiatives aimed at enhancing food security, particularly at the household and community levels. Strong links between food

security, the sound management of natural resources, including common property resources, and sustainable livelihoods will be promoted.

33. Benchmark indicators include: (a) trained and skilled entrepreneurs placed in pilot businesses; (b) a range of better-designed products from micro- and small- enterprises available for adoption and replication by the small-scale business sector; (c) a national policy framework adopted for improved performance of small businesses; (d) a regulatory framework for micro-credit providers accepted by the Government; (e) best practices in micro-financing identified and publicized; and (f) gender-disaggregated data on employment and the labour market used at the policy level.

C. Gender mainstreaming and empowerment of women

34. In collaboration with the United Nations Development Fund for Women and UNICEF, as agreed in the UNDAF, UNDP will advocate for the enactment of relevant legal reforms and the adoption of a strategy for affirmative action to support the implementation of a national platform for action that responds to the Beijing Platform for Action. A communication strategy for awareness-raising and advocacy for policy makers, community groups and women living in poverty will be developed and used. UNDP will help the Government to finalize and adopt a national gender policy for integrating gender concerns into planning and programmes. Legal literacy, gender awareness, and the identification of specific sets of indicators for tracking progress on gender equality over time will form an important part of UNDP assistance. Gender training will be undertaken, involving government officials, private sector representatives, and functionaries of civil society organizations, community leaders and the local communities. UNDP will also assist in drafting appropriate legislation giving women equal rights and access to land, credit, job opportunities and education.

35. Benchmark indicators include: (a) the adoption and implementation of a national policy and the enactment of legal reforms on gender; (b) gender equality and equity defined and addressed as explicit objectives of all thematic areas in the CCF; (c) a gender mainstreaming strategy for Kenya put into place, used and reported upon regularly; (d) programmes and activities supporting implementation of the national platform for action; (e) training packages for the integration of gender mainstreaming into participatory planning, implementation and monitoring of key programmes; (f) the use of gender-disaggregated data in policy formulation, programming, resource allocation, monitoring and evaluation of impact; (g) indicators for tracking progress on gender equality defined and accepted, gender sensitive policies, and changes in gender relations over time.

D. Environment and natural resources management

36. UNDP support will focus on building national capacity in environmental legislation, planning, and management, including the development and incorporation of environmental management tools in economic planning and decision-making at community, district and national levels. Primary attention will be given to the district level, where capacity will be built for the

implementation of environment projects related to farming systems, health, water and sanitation.

37. UNDP will help the Government to undertake initiatives to translate international global compacts, including the Convention on Biological Biodiversity, the United Nations Convention to Combat Desertification in those Countries Experiencing Serious Drought and/or Desertification, particularly in Africa, and the United Nations Framework Convention on Climate Change into national action programmes for implementation. Priority will be given to the development of a national Capacity 21 programme with an emphasis on community-based sustainable environment and natural resources management. The participation of poor communities, civil society organizations and other stakeholders in the management of these resources will be promoted. Technologies will be promoted to build safe water sources in rural and peri-urban areas as well as for monitoring water pollution. The initiatives will be coordinated with the subregional programmes of GEF and activities foreseen under the Montreal Protocol on ozone depletion.

38. Benchmark indicators include: (a) legislation of new environment laws and regulations in favour of the poor; (b) the establishment of environmental impact assessment guidelines; (c) demonstrated participation of poor communities in biodiversity protection; (d) the introduction of innovative methods for the improved treatment of solid waste and waste water; and (d) the establishment of a subregional network of environmental management specialists to lobby for sound environment management.

IV. MANAGEMENT ARRANGEMENTS

39. The CCF will require enhanced national execution capacity for the effective planning, coordination and reporting of planned activities. For this purpose, a secretariat will be established within the Ministry of Finance, with the necessary expertise in programme management, procurement, accounting and auditing. The secretariat's functions will come to an end once the necessary capacities are established within the executing and implementing institutions. However, the assistance of United Nations system agencies will continue to be sought for technical backstopping where necessary, while the use of United Nations Volunteers will be expanded in order to strengthen the programme outreach to the grass-roots level.

40. The auditing of programmes and funds will be strengthened in order to ensure greater transparency and accountability. Through specific arrangements with the Department of Audit, private auditing firms will be hired as appropriate, in order to produce audit reports as scheduled.

41. The CCF will be subject to annual and mid-term reviews to ensure its relevance and responsiveness to national priorities and goals. The benchmarks spelled out in the CCF will be closely monitored in the assessment of programme implementation and impacts. Stakeholders, the Government and other development partners will participate in the reviews, focusing particularly on the achievement of poverty targets. The continuous monitoring and evaluation will

enable the executing agents to determine resource allocations and to ensure that programme objectives are realized.

42. Total resources for the programme are $37.537 million, $23.637 million of which will come from UNDP core funds and $13.900 million of which will be from non-core sources. Partnerships with bilateral and multilateral donors and international NGOs will be pursued to generate the necessary additional support. A systematic resource mobilization strategy, led by the Government of Kenya, will be developed and implemented for each of the programme components. Resource mobilization targets are presented in the annex.

Annex

RESOURCE MOBILIZATION TARGET TABLE FOR KENYA (1999-2003)

(In thousands of United States dollars)

Source	Amount	Comments
UNDP CORE FUNDS		
Estimated carry-over into 1999	3 472	
TRAC 1.1.1	17 465	Assigned immediately to country.
TRAC 1.1.2	0 to 66.7 per cent of TRAC 1.1.1	This range of percentages is presented for initial planning purposes only. The actual assignment will depend on the availability of high-quality programmes. Any increase in the range of percentages would also be subject to availability of resources.
Other resources	1 200	TCDC
SPPD/STS	1 500	
Subtotal	23 637[a]	
NON-CORE FUNDS		
Government cost-sharing	1 500	
Sustainable development funds	2 000	
Third-party cost-sharing	5 400	
Funds, trust funds and other	5 000	
	of which:	
UNV	700	
UNIFEM	800	
Disaster Trust Fund	2 500	
Poverty Fund	1 000	
Subtotal	13 900	
GRAND TOTAL	37 537[a]	

[a] Not inclusive of TRAC 1.1.2, which is allocated regionally for subsequent country application.

Abbreviations: SPPD = support for policy and programme development; STS = support for technical services; TCDC = technical cooperation among developing countries; TRAC = target for resource assignment from the core; UNIFEM = United Nations Development Fund for Women; and UNV = United Nations Volunteers programme.